

State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

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Division Director

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Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

May 18, 2004

Tom Newman, CPG Chief Geologist Holcim (US) Incorporated 1405 Parkwood Drive Fort Collins, Colorado 80525-1934

Subject: Status of Mine Permit, Holcim (US) Inc., Skull Valley Diatomaceous

Earth, S/045/060, Tooele County, Utah

Dear Mr. Newman:

On May 12, 2004, we received your letter stating that Holcim is planning on reopening the existing pit to remove Diatomaceous Earth in the very near future, pending approval of the Plan of Operations by the BLM, which you stated would be issued very soon.

This letter is a reminder that on September 8, 2003, the Division put this operation in suspension for failure to pay the required \$150.00 permit fee for year 2003-2004. Our records reflect that the permit fee has not yet been received; therefore, **no mining may take place until that issue has been resolved**. The permit fee for the next fiscal year will be due again in July. You could submit both the 2003-2004 and the 2004-2005 permit fee payment at this time, if you wish to do so. We have enclosed another billing statement for the 2003-2004 fiscal year for your use. If you do not wish to submit the next year's permit fee at this same time, another billing statement will be sent toward the end of June for the 2004-2005 fiscal year.

Also, as you are aware, the Utah Legislature now requires that reclamation surety be posted for <u>all</u> mine sites. We have no record that reclamation surety has been posted for this site. If you have posted a reclamation surety with the BLM, we will need a copy of the surety. The Division will honor existing sureties held by the BLM at this time; however, in the near future, we will require that the surety be revised to include the Division as a beneficiary. If you do not have a surety posted with the BLM, then you must post reclamation surety with this office and include both the BLM and the Division as beneficiaries, prior to continued mining or expansion of your operations.



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Your letter states that your operation will stay within a five acre disturbed area. Therefore, the Division will require a \$17,000 reclamation surety be posted for a five (5) acre site. If you have estimated a reclamation cost and submitted that estimate to the BLM with your plan of operation, and if that estimate is different from the required \$17,000, we would need a copy of that estimate for review to see if it is sufficient and acceptable. A Reclamation Contract is also required to accompany the surety. Acceptable sureties include, Certificate of Deposits, Letters of Credit, Surety Bonds, and cash. Please be advised that if you post a cash form of surety, the State Treasurer's Office may require additional monies to administer a cash account. When you determine the type of surety you wish to post for this site, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms, or you may obtain the forms on the internet at www.ogm.ut.gov.

Please provide us with a copy of your plan of operations that will be submitted to the BLM, so that we may update our small mine file on this site. Your summarized plan indicates you plan to disturb and contemporaneously reclaim about three acres of land annually to stay within the small mine category. Please be advised that Rule R647-3-109.13.12 requires that reclaimed and reseeded areas must survive one growing season, before the Division can consider excluding them as part of the small mine disturbed area.

Thank you for your immediate attention to bringing your permit into good standing once again by submitting the required permit fees. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5286 or Tom Munson at (801) 538-5310.

Sincerely.

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

DWH:jb

Enclosure: Billing statement

cc: Ken George, Quarry Manager Mike Ford, BLM, SLFO Nicole Cline, Tooele County

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1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

HOLCIM (US) INC 1 PO BOX 122 DUNDEE MI 48131-0122

ATTENTION: TOM NEWMAN

DELINQUENCY NOTICE Annual Permit Fees (July 2003 thru June 2004) **PROJECT NAME PROJECT ID ACRES BILLING DATE** SKULL VALLEY DIATOM EARTH S450060 NA 06/27/2003 **PERMIT TYPE PROJECT STATUS ANNUAL FEE SMALL MINING OPERATION < 5 ACRES ACTIVE** \$ 150

 DUE DATE
 AMOUNT DUE

 07/25/2003
 \$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

OM EARTH S45006	
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Contact Address E-mail address State Zip	
	Contact Address E-mail address